

**Haynes Roberts**

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**From:** Haynes Roberts [hroberts@nftc.org]  
**Sent:** Tuesday, July 16, 2002 12:43 PM  
**To:** 'ofac\_feedback@do.treas.gov'  
**Subject:** comment on proposed rule in response to federal register notice

I have attempted unsuccessfully to submit this comment via the OFAC website form. Please reply to confirm that it has been received. I will fax it as well.

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Comment on proposed rule (re: voluntary disclosure)  
(31 CFR Part 501)

Where the origin of an OFAC case is a company's voluntary disclosure to OFAC of a potential violation of an Executive Order, statute or regulation, NFTC recommends that this fact should be clearly stated in any settlement summary published by OFAC. Typically, companies that voluntarily disclose information to OFAC settle cases for significantly less than companies involved in cases that are the result of Treasury Department investigations. A reduced settlement payment is an incentive for companies to voluntarily disclose potential violations. Under the proposed rule, companies that voluntarily disclose potential violations would continue to receive lower monetary settlements, but would suffer the same public relations damage as a company that failed to voluntarily disclose. In the interest of fairness to companies that choose to disclose potential violations, increasing corporate compliance with sanctions regulations and the volume of voluntary disclosures, NFTC strongly urges OFAC to consider including the following language in all settlement summaries that are the result of a voluntary disclosure:

"This settlement was the result of a voluntary disclosure."

Furthermore, we recommend that notices of settlements or penalties be made publicly available at the time that they are reached. Thus, companies with minor administrative infractions will not find themselves grouped with others who have committed more serious violations. Separating the announcements in this manner may encourage more voluntary disclosures.

Finally, we recommend that companies be alerted prior to any public announcements about settlements or penalties. This courtesy will enable the affected companies to prepare to deal with inquiries from the press or public. Being so prepared will permit the companies to respond accurately to the press and the public and to avoid confusion or misinformation about the settlement or violation.

Respectfully submitted,  
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President, NFTC

National Foreign Council

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